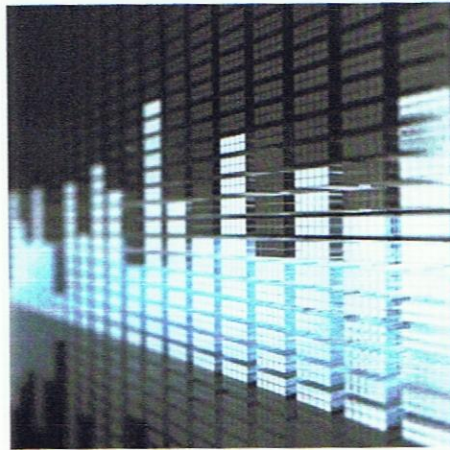


Tuesday, March 17, 2009

Andrew Bell Of Red Rock Resources Speaks To Proactiveinvestors

by **Proactiveinvestors**



So Andrew what is Red Rock Resources' business strategy and how is it working out?

Red Rock Resources was floated off by Regency in order to handle our iron ore-manganese projects because these commodities are low cost commodities, where the delivery through the rail system or the road system and the port system are a critical part of what you are doing. That tends to make them long-term, high capital requirement projects that need a lot of expertise and only big companies can handle these things. We expected to find a large partner quite quickly. We expected it to be Chinese. It turned out not to be.

Tell us about recent progress with the joint venture Red Rock has with Pallinghurst Resources and what are the next steps.

We at Red Rock formed the joint venture with Pallinghurst Resources, which is based in London. That is a company set up by Brian Gilbertson who was the CEO of BHP Billiton. The joint venture that we are doing is going to be in steel feeds, which are the things that go into making steel, like iron ore, manganese, coal.



The next steps, well, Red Rock already have a substantial share holding in an Australian listed company called Jupiter Mines, to whom we had sold some licences, and Jupiter was rather in our business; they had some other licences but the most interesting part was the iron ore. If we sold in some of our iron ore and manganese assets and brought in Pallinghurst, we could jointly control it and use that company as our listed vehicle. They agreed with that strategy and they devoted some money, as did we, to building up a stake of 19.9% in Jupiter and to building up stakes in companies with neighbouring acreage. Then we offered that package of our licences and stakes in neighbouring companies and a bit of cash to Jupiter, and the board have agreed and the major shareholders have agreed and there is an AGM going ahead on 9th March. A 188 page document has been mailed to all shareholders and after the 9th March we expect ourselves and Pallinghurst to have, on a 50:50 basis, what will rise to 55% of a new Jupiter. Some very key people from Pallinghurst, ones with experience in this field which may include Brian Gilbertson and the former managing director of BHP Iron Ore will join the board and develop the business.

What is the attraction of creating a steel feed corporation?

Steel feed is simply the biggest business there is out there, that's why BHP, Rio Tinto and Vale are in the iron ore, manganese production because the volumes of steel dwarf those of other metals and commodities so if you want to be big you cannot afford not to be in it. Pallinghurst have already tried to buy a company which was going to be a platform for the steel feed strategy. That was the manganese producer ConsMin, a couple of years ago in Australia. They bid a billion dollars. Somebody else bid 1.2 billion, a Ukrainian, but to emphasise again that was only to use as a platform to build up a company in this space, because typically companies in this space are very, very large. Jupiter – we have there one very, very small company and indeed they have a partner in ourselves that is even smaller, so make what you like of that but what I would suggest is there is a reasonable chance that a very small tail will be wagging on a very big dog.

Who are Pallinghurst Resources and how is Red Rock's relationship with them?

Well Pallinghurst Resources is the partner that we have. This is a group set up by Brian Gilbertson who used to run Billiton, then BHP Billiton, then Vedanta and then merged Rusal and Sual to create the biggest aluminium company in the world. He then set up Pallinghurst in London where he has got over \$1bn of backing and have already done some big deals in coloured gemstones and platinum, where they would be one of the largest players. Pallinghurst Resources was formed by Brian Gilbertson. Aside from him he has got a few other partners – one is called Arne Frandsen, one is Priyank Thapliyal and Priyank was the right hand man of Mr Agarwal who owns the major stake in Vedanta and Priyank did the deal whereby Vedanta took over the copper fields in Zambia. So he is good at doing transactions, a good person to work with and we have found it absolutely delightful working with him on this transaction.

What is happening with Red Rock Resources' manganese interest?

These interests are mainly in Australia which are near Woodie Woodie which is ConsMin's mine that

